

102ND GENERAL ASSEMBLY State of Illinois 2021 and 2022 SB3903

Introduced 1/21/2022, by Sen. Bill Cunningham

SYNOPSIS AS INTRODUCED:

220 ILCS 5/16-115 220 ILCS 5/16-115A

Amends the Public Utilities Act. In provisions concerning the certification of alternative retail suppliers, provides that the Illinois Commerce Commission shall consider the applicant's commitment of resources to the management of sales and marketing staff, through affirmative managerial policies, independent audits, technology, hands-on field monitoring, and training. In provisions concerning the obligations of alternative retail electric suppliers, provides that an alternative retail electric supplier shall maintain sufficient managerial resources and abilities to provide the service for which it has a certificate of service authority. Provides that an alternative retail electric supplier shall file with the Commission a notification of any material change to the information supplied in a certification application within 30 days after the material change.

LRB102 24709 SPS 33949 b

1 AN ACT concerning regulation.

Be it enacted by the People of the State of Illinois, represented in the General Assembly:

- Section 5. The Public Utilities Act is amended by changing
- 5 Sections 16-115 and 16-115A as follows:
- 6 (220 ILCS 5/16-115)
- Sec. 16-115. Certification of alternative retail electric suppliers.
- 9 (a) Any alternative retail electric supplier must obtain a
 10 certificate of service authority from the Commission in
 11 accordance with this Section before serving any retail
 12 customer or other user located in this State. An alternative
 13 retail electric supplier may request, and the Commission may
 14 grant, a certificate of service authority for the entire State
 15 or for a specified geographic area of the State.
- 16 (b) An alternative retail electric supplier seeking a 17 certificate of service authority shall file with Commission a verified application containing information 18 19 showing that the applicant meets the requirements of this Section. The alternative retail electric supplier shall 20 21 publish notice of its application in the official State 22 newspaper within 10 days following the date of its filing. No later than 45 days after the application is properly filed 23

- with the Commission, and such notice is published, the Commission shall issue its order granting or denying the application.
 - (c) An application for a certificate of service authority shall identify the area or areas in which the applicant intends to offer service and the types of services it intends to offer. Applicants that seek to serve residential or small commercial retail customers within a geographic area that is smaller than an electric utility's service area shall submit evidence demonstrating that the designation of this smaller area does not violate Section 16-115A. An applicant that seeks to serve residential or small commercial retail customers may state in its application for certification any limitations that will be imposed on the number of customers or maximum load to be served.
 - (d) The Commission shall grant the application for a certificate of service authority if it makes the findings set forth in this subsection based on the verified application and such other information as the applicant may submit:
 - (1) That the applicant possesses sufficient technical, financial and managerial resources and abilities to provide the service for which it seeks a certificate of service authority. In determining the level of technical, financial and managerial resources and abilities which the applicant must demonstrate, the Commission shall consider (i) the characteristics, including the size and financial

sophistication, of the customers that the applicant seeks to serve; and (ii) whether the applicant seeks to provide electric power and energy using property, plant and equipment which it owns, controls or operates; and (iii) the applicant's commitment of resources to the management of sales and marketing staff, through affirmative managerial policies, independent audits, technology, hands-on field monitoring, and training, and in the case of applicants who have sales personnel or sales agents within the State, the applicant's managerial presence within the State;

- (2) That the applicant will comply with all applicable federal, State, regional and industry rules, policies, practices and procedures for the use, operation, and maintenance of the safety, integrity and reliability, of the interconnected electric transmission system;
- (3) That the applicant will only provide service to retail customers in an electric utility's service area that are eligible to take delivery services under this Act;
- (4) That the applicant will comply with such informational or reporting requirements as the Commission may by rule establish and provide the information required by Section 16-112. Any data related to contracts for the purchase and sale of electric power and energy shall be made available for review by the Staff of the Commission

on a confidential and proprietary basis and only to the extent and for the purposes which the Commission determines are reasonably necessary in order to carry out the purposes of this Act;

- (5) That the applicant will procure renewable energy resources in accordance with Section 16-115D of this Act, and will source electricity from clean coal facilities, as defined in Section 1-10 of the Illinois Power Agency Act, in amounts at least equal to the percentages set forth in subsections (c) and (d) of Section 1-75 of the Illinois Power Agency Act. For purposes of this Section:
 - (i) (blank);
 - (ii) (blank);
 - (iii) the required sourcing of electricity generated by clean coal facilities, other than the initial clean coal facility, shall be limited to the amount of electricity that can be procured or sourced at a price at or below the benchmarks approved by the Commission each year in accordance with item (1) of subsection (c) and items (1) and (5) of subsection (d) of Section 1-75 of the Illinois Power Agency Act;
 - (iv) all alternative retail electric suppliers shall execute a sourcing agreement to source electricity from the initial clean coal facility, on the terms set forth in paragraphs (3) and (4) of subsection (d) of Section 1-75 of the Illinois Power

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

Agency Act, except that in lieu of the requirements in subparagraphs (A)(v), (B)(i), (C)(v), and (C)(vi) of paragraph (3) of that subsection (d), the applicant shall execute one or more of the following:

(1) if the sourcing agreement is a power purchase agreement, a contract with the initial clean coal facility to purchase in each hour an amount of electricity equal to all clean coal energy made available from the initial clean coal facility during such hour, which the utilities are required to procure under the terms of subsection (d) of Section 1-75 of the Illinois Power Agency Act, multiplied by a fraction, the numerator of which is the alternative retail electric supplier's retail market sales electricity (expressed in kilowatthours sold) in the State during the prior calendar month and the sales of denominator of which is the total electricity (expressed in kilowatthours sold) in the State by alternative retail electric suppliers during such prior month that are subject to the requirements of this paragraph (5) of subsection (d) of this Section and subsection (d) of Section 1-75 of the Illinois Power Agency Act plus the of electricity (expressed sales kilowatthours sold) by utilities outside of their

service areas during such prior month, pursuant to subsection (c) of Section 16-116 of this Act; or

(2) if the sourcing agreement is a contract for differences, a contract with the initial clean coal facility in each hour with respect to an amount of electricity equal to all clean coal energy made available from the initial clean coal facility during such hour, which the utilities are not required to procure under the terms of subsection (d) of Section 1-75 of the Illinois Power Agency Act, multiplied by a fraction, the numerator of which is the alternative retail electric supplier's retail market sales electricity (expressed in kilowatthours sold) in the State during the prior calendar month and the denominator of which is the total sales of electricity (expressed in kilowatthours sold) in the State by alternative retail electric suppliers during such prior month that are subject to the requirements of this paragraph (5) of subsection (d) of this Section and subsection (d) of Section 1-75 of the Illinois Power Agency Act plus the electricity (expressed total sales of kilowatthours sold) by utilities outside of their service areas during such prior month, pursuant to subsection (c) of Section 16-116 of this Act;

(v) if, in any year after the first year of commercial operation, the owner of the clean coal facility fails to demonstrate to the Commission that initial clean coal facility captured sequestered at least 50% of the total carbon emissions facility would otherwise emit or sequestration of emissions from prior years failed, resulting in the release of carbon into the atmosphere, the owner of the facility must offset excess emissions. Any such carbon offsets must be permanent, additional, verifiable, real, located within the State of Illinois, and legally and practicably enforceable. The costs of any such offsets that are not recoverable shall not exceed \$15 million in any given year. No costs of any such purchases of carbon offsets may be recovered from an alternative retail electric supplier or its customers. All carbon offsets purchased for this purpose and any carbon emission credits associated with sequestration of carbon from the facility must be permanently retired. The initial clean coal facility shall not forfeit its designation as a clean coal facility if the facility fails to fully comply with the applicable carbon sequestration requirements in any given year, provided the requisite offsets are purchased. However, the Attorney General, on behalf of the People of the State

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

of Illinois, may specifically enforce the facility's sequestration requirement and the other terms of this contract provision. Compliance with the sequestration requirements and offset purchase requirements that apply to the initial clean coal facility shall be reviewed annually by an independent expert retained by the owner of the initial clean coal facility, with the advance written approval of the Attorney General;

The Commission shall, after notice and (vi) hearing, revoke the certification of any alternative retail electric supplier that fails to execute a sourcing agreement with the initial clean coal facility as required by item (5) of subsection (d) of this Section. The sourcing agreements with this initial clean coal facility shall be subject to both approval of the initial clean coal facility by the General Assembly and satisfaction of the requirements of item (4) of subsection (d) of Section 1-75 of the Illinois Power Agency Act, and shall be executed within 90 days after any such approval by the General The Assembly. Commission shall not accept application for certification from an alternative retail electric supplier that has lost certification under this subsection (d), or any corporate affiliate thereof, for at least one year from the date of revocation;

- (6) With respect to an applicant that seeks to serve residential or small commercial retail customers, that the area to be served by the applicant and any limitations it proposes on the number of customers or maximum amount of load to be served meet the provisions of Section 16-115A, provided, that the Commission can extend the time for considering such a certificate request by up to 90 days, and can schedule hearings on such a request;
- (7) That the applicant meets the requirements of subsection (a) of Section 16-128;
- (8) That the applicant discloses whether the applicant is the subject of any lawsuit filed in a court of law or formal complaint filed with a regulatory agency alleging fraud, deception, or unfair marketing practices or other similar allegations and, if the applicant is the subject of such lawsuit or formal complaint, the applicant shall identify the name, case number, and jurisdiction of each lawsuit or complaint. For the purpose of this item (8), "formal complaint" includes only those complaints that seek a binding determination from a State or federal regulatory body;
- (9) That the applicant shall continue to comply with requirements for certification stated in this Section;
- (10) That the applicant shall execute and maintain a license or permit bond issued by a qualifying surety or insurance company authorized to transact business in the

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

State of Illinois in favor of the People of the State of Illinois. The amount of the bond shall equal \$30,000 if the applicant seeks to serve only nonresidential retail customers with maximum electrical demands of one megawatt or more, \$150,000 if the applicant seeks to serve only non-residential retail customers with annual electrical consumption greater than 15,000 kWh, or \$500,000 if the seeks to serve all eligible applicant customers. Applicants shall be required to submit an additional \$500,000 bond if the applicant intends to market to residential customers using in-person solicitations. The bond shall be conditioned upon the full and faithful performance of all duties and obligations of the applicant as an alternative retail electric supplier and shall be valid for a period of not less than one year. The cost of the bond shall be paid by the applicant. The applicant shall file a copy of this bond, with a notarized verification page from the issuer, as part of application for certification under 83 Ill. Adm. Code 451; and

- (11) That the applicant will comply with all other applicable laws and regulations.
- (d-3) The Commission may deny with prejudice an application in which the applicant fails to provide the Commission with information sufficient for the Commission to grant the application.

22

23

24

25

- 1 (d-5) (Blank).
- A retail customer that owns a cogeneration or 2 3 self-generation facility and that seeks certification only to provide electric power and energy from such facility to retail 4 5 customers at separate locations which customers are both (i) owned by, or a subsidiary or other corporate affiliate of, 6 7 such applicant and (ii) eligible for delivery services, shall be granted a certificate of service authority upon filing an 8 9 application and notifying the Commission that it has entered 10 into an agreement with the relevant electric utilities pursuant to Section 16-118. Provided, however, that if the 11 12 retail customer owning such cogeneration or self-generation facility would not be charged a transition charge due to the 13 exemption provided under subsection (f) of Section 16-108 14 prior to the certification, and the retail customers at 15 16 separate locations are taking delivery services in conjunction 17 with purchasing power and energy from the facility, the retail customer on whose premises the facility is located shall not 18 19 thereafter be required to pay transition charges on the power 20 and energy that such retail customer takes from the facility.
 - (f) The Commission shall have the authority to promulgate rules and regulations to carry out the provisions of this Section. On or before May 1, 1999, the Commission shall adopt a rule or rules applicable to the certification of those alternative retail electric suppliers that seek to serve only nonresidential retail customers with maximum electrical

- demands of one megawatt or more which shall provide for (i) expedited and streamlined procedures for certification of such alternative retail electric suppliers and (ii) specific criteria which, if met by any such alternative retail electric supplier, shall constitute the demonstration of technical, financial and managerial resources and abilities to provide service required by subsection (d) (1) of this Section, such as a requirement to post a bond or letter of credit, from a responsible surety or financial institution, of sufficient size for the nature and scope of the services to be provided; demonstration of adequate insurance for the scope and nature of the services to be provided; and experience in providing similar services in other jurisdictions.
- (g) An alternative retail electric supplier may seek confidential treatment for the following information by filing an affidavit with the Commission so long as the affidavit meets the requirements in this subsection (g):
 - (1) the total annual kilowatt-hours delivered and sold by an alternative retail electric supplier to retail customers within each utility service territory and the total annual kilowatt-hours delivered and sold by an alternative retail electric supplier to retail customers in all utility service territories in the preceding calendar year as required by 83 Ill. Adm. Code 451.770;
 - (2) the total peak demand supplied by an alternative retail electric supplier during the previous year in each

1 utility service territory as required by 83 Ill. Adm. Code 465.40;

(3) a good faith estimate of the amount an alternative retail electric supplier expects to be obliged to pay the utility under single billing tariffs during the next 12 months and the amount of any bond or letter of credit used to demonstrate an alternative retail electric supplier's credit worthiness to provide single billing services pursuant to 83 Ill. Adm. Code 451.510(a) and (b).

The affidavit must be filed contemporaneously with the information for which confidential treatment is sought and must clearly state that the affiant seeks confidential treatment pursuant to this subsection (g) and the information for which confidential treatment is sought must be clearly identified on the confidential version of the document filed with the Commission. The affidavit must be accompanied by a "confidential" and a "public" version of the document or documents containing the information for which confidential treatment is sought.

If the alternative retail electric supplier has met the affidavit requirements of this subsection (g), then the Commission shall afford confidential treatment to the information identified in the affidavit for a period of 2 years after the date the affidavit is received by the Commission.

Nothing in this subsection (q) prevents an alternative

retail electric supplier from filing a petition with the Commission seeking confidential treatment for information beyond that identified in this subsection (g) or for

information contained in other reports or documents filed with

5 the Commission.

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

Nothing in this subsection (g) prevents the Commission, on its own motion, or any party from filing a formal petition with the Commission seeking to reconsider the conferring of confidential status on an item of information afforded confidential treatment pursuant to this subsection (g).

The Commission, on its own motion, may at any time initiate a docketed proceeding to investigate the continued applicability of this subsection (q) to the information contained in items (i), (ii), and (iii) of this subsection (q). If, at the end of such investigation, the Commission determines that a particular item of information should no longer be eligible for the affidavit-based process outlined in this subsection (q), the Commission may enter an order to remove that item from the list of items eligible for the process set forth in this subsection (q). Notwithstanding any such order, in the event the Commission makes such a determination, nothing in this subsection (q) prevents an alternative retail electric supplier desiring confidential treatment for such information from filing a formal petition with the Commission seeking confidential treatment for such information.

- 1 (Source: P.A. 101-590, eff. 1-1-20.)
- 2 (220 ILCS 5/16-115A)
- 3 Sec. 16-115A. Obligations of alternative retail electric
- 4 suppliers.

12

1.3

14

15

16

17

18

19

20

21

22

23

24

- 5 (a) An alternative retail electric supplier:
- 6 (i) shall comply with the requirements imposed on public utilities by Sections 8-201 through 8-207, 8-301, 8-505 and 8-507 of this Act, to the extent that these 9 Sections have application to the services being offered by the alternative retail electric supplier;
 - (ii) shall continue to comply with the requirements for certification stated in subsection (d) of Section 16-115;
 - (iii) by May 31, 2020 and every June 30 thereafter, shall submit to the Commission and the Office of the Attorney General the rates the retail electric supplier charged to residential customers in the prior year, including each distinct rate charged and whether the rate was a fixed or variable rate, the basis for the variable rate, and any fees charged in addition to the supply rate, including monthly fees, flat fees, or other service charges; and
 - (iv) shall make publicly available on its website, without the need for a customer login, rate information for all of its variable, time-of-use, and fixed rate

- contracts currently available to residential customers, including, but not limited to, fixed monthly charges, early termination fees, and kilowatt-hour charges.
 - (b) An alternative retail electric supplier shall obtain verifiable authorization from a customer, in a form or manner approved by the Commission consistent with Section 2EE of the Consumer Fraud and Deceptive Business Practices Act, before the customer is switched from another supplier.
 - (c) No alternative retail electric supplier, or electric utility other than the electric utility in whose service area a customer is located, shall (i) enter into or employ any arrangements which have the effect of preventing a retail customer with a maximum electrical demand of less than one megawatt from having access to the services of the electric utility in whose service area the customer is located or (ii) charge retail customers for such access. This subsection shall not be construed to prevent an arms-length agreement between a supplier and a retail customer that sets a term of service, notice period for terminating service and provisions governing early termination through a tariff or contract as allowed by Section 16-119.
 - (d) An alternative retail electric supplier that is certified to serve residential or small commercial retail customers shall not:
- 25 (1) deny service to a customer or group of customers 26 nor establish any differences as to prices, terms,

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

conditions, services, products, facilities, or in any other respect, whereby such denial or differences are based upon race, gender or income, except as provided in Section 16-115E.

- (2) deny service to a customer or group of customers based on locality nor establish any unreasonable difference as to prices, terms, conditions, services, products, or facilities as between localities.
- (e) An alternative retail electric supplier shall comply with the following requirements with respect to the marketing, offering and provision of products or services to residential and small commercial retail customers:
 - marketing materials, including, (i) All but limited to, electronic marketing materials, in-person solicitations, and telephone solicitations, shall contain information that adequately discloses the prices, terms, and conditions of the products or services that the alternative retail electric supplier is offering or selling to the customer and shall disclose the current utility electric supply price to compare applicable at the time the alternative retail electric supplier is offering or selling the products or services to the customer and shall disclose the date on which the utility electric supply price to compare became effective and the date on which it will expire. The utility electric supply price to compare shall be the sum of the electric supply charge and

2

3

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

the transmission services charge and shall not include the purchased electricity adjustment. The disclosure shall include a statement that the price to compare does not include the purchased electricity adjustment, and, if applicable, the range of the purchased electricity adjustment. All marketing materials, including, but not limited to, electronic marketing materials, in-person solicitations, and telephone solicitations, shall include the following statement:

of the alternative retail electric supplier) is not the same entity as your electric delivery company. You are not required to enroll with alternative retail electric (name of supplier). Beginning on (effective date), the electric supply price to compare is (price in cents per kilowatt hour). The electric utility electric supply price will expire on (expiration date). The utility electric supply price to compare does not include the purchased electricity adjustment factor. For more information go to the Illinois Commerce Commission's free website at www.pluginillinois.org.".

If applicable, the statement shall also include the following statement:

"The purchased electricity adjustment factor may range between +.5 cents and -.5 cents per kilowatt hour.".

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

This paragraph (i) does not apply to goodwill or institutional advertising.

- (ii) Before any customer is switched from another supplier, the alternative retail electric supplier shall give the customer written information that adequately discloses, in plain language, the prices, terms conditions of the products and services being offered and sold to the customer. This written information shall be provided in a language in which the customer subject to the marketing or solicitation is able to understand and communicate, and the alternative retail electric supplier shall not switch a customer who is unable to understand and communicate in a language in which the marketing or solicitation was conducted. The alternative electric supplier shall comply with Section 2N of the Consumer Fraud and Deceptive Business Practices Act.
- (iii) An alternative retail electric supplier shall provide documentation to the Commission and to customers that substantiates any claims made by the alternative retail electric supplier regarding the technologies and fuel types used to generate the electricity offered or sold to customers.
- (iv) The alternative retail electric supplier shall provide to the customer (1) itemized billing statements that describe the products and services provided to the customer and their prices, and (2) an additional

statement, at least annually, that adequately discloses the average monthly prices, and the terms and conditions, of the products and services sold to the customer.

- (v) All in-person and telephone solicitations shall be conducted in, translated into, and provided in a language in which the consumer subject to the marketing or solicitation is able to understand and communicate. An alternative retail electric supplier shall terminate a solicitation if the consumer subject to the marketing or communication is unable to understand and communicate in the language in which the marketing or solicitation is being conducted. An alternative retail electric supplier shall comply with Section 2N of the Consumer Fraud and Deceptive Business Practices Act.
- (vi) Each alternative retail electric supplier shall conduct training for individual representatives engaged in in-person solicitation and telemarketing to residential customers on behalf of that alternative retail electric supplier prior to conducting any such solicitations on the alternative retail electric supplier's behalf. Each alternative retail electric supplier shall submit a copy of its training material to the Commission on an annual basis and the Commission shall have the right to review and require updates to the material. After initial training, each alternative retail electric supplier shall be required to conduct refresher training for its

individual representatives every 6 months.

- (f) An alternative retail electric supplier may limit the overall size or availability of a service offering by specifying one or more of the following: a maximum number of customers, maximum amount of electric load to be served, time period during which the offering will be available, or other comparable limitation, but not including the geographic locations of customers within the area which the alternative retail electric supplier is certificated to serve. The alternative retail electric supplier shall file the terms and conditions of such service offering including the applicable limitations with the Commission prior to making the service offering available to customers.
- maintain sufficient managerial resources and abilities to provide the service for which it has a certificate of service authority. In determining the level of managerial resources and abilities that the alternative retail electric supplier must demonstrate, the Commission shall consider, in addition to the requirements in Section 16-115, the following:
- (1) complaints to the Commission by consumers regarding the alternative retail electric supplier, including those that reflect on the alternative retail electric supplier's ability to properly manage solicitation and authorization; and
 - (2) the alternative retail electric's supplier's

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

involvement, including resources the alternative retail

electric supplier dedicates to the process and the

alternative retail electric supplier's ability to manage

the issues raised by complaints, and the resolutions of

the complaints.

with the Commission a notification of any material change, as defined and prescribed by the Commission, to the information supplied in a certification application within 30 days after the material change.

Nothing in this Section shall be construed as (a) preventing an alternative retail electric supplier, which is an affiliate of, or which contracts with, (i) an industry or organization or association, (ii) а membership organization or association that exists for a purpose other (iii) than the purchase of electricity, or organization that meets criteria established in a rule adopted by the Commission, from offering through the organization or association services at prices, terms and conditions that are available solely to the members of the organization or association.

22 (Source: P.A. 101-590, eff. 1-1-20; 102-459, eff. 8-20-21.)